

**RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
CRUCIBLE MATERIALS CORPORATION**

The present name of the corporation (the "Corporation") is Crucible Materials Corporation. The Corporation was incorporated under the name Crucible Inc, and the date of filing of its original Certificate of Incorporation with the Secretary of State of Delaware was September 12, 1983. This Restated Certificate of Incorporation restates and integrates and also further amends the Certificate of Incorporation of the Corporation, as heretofore amended and supplemented, and was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware.

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1. The name of the Corporation is:

Crucible Materials Corporation

2. The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

3. The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

4. The total number of shares of all classes of stock which the Corporation shall have authority to issue is 50,700,000 shares, of which 50,000,000 shares shall be shares of Common Stock, par value \$.01 per share, and 700,000 shares shall be shares of Preferred Stock, par value \$100.00 per share. The Preferred Stock is issuable in series; and a series of the Preferred Stock designated as the "Series A Participating Preferred Stock" and consisting of 241,087 shares thereof, par value \$100.00 per share, and a series of Preferred Stock designated as the "Series B Participating Preferred Stock" and consisting of 202,502 shares thereof, par value \$100.00 per share, are established hereby as hereinafter provided.

Subject to the foregoing and to any other limitations provided by law, there is hereby expressly vested in the Board of

Directors full authority (i) to establish by resolution or resolutions from time to time one or more series of shares within the Preferred Stock, which series may have full, limited or no voting powers and such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, and shall be issued under such terms and conditions and in such form and manner, as shall be stated and expressed in the resolution or resolutions providing for the issue of such shares adopted by the Board of Directors pursuant to this authority and without further authorization from the stockholders, and (ii) to cause shares of any authorized series to be issued for any consideration permitted by law; provided, however, that if the resolution of the Board of Directors establishing any series of Preferred Stock pursuant to the foregoing authority shall provide that the shares of such series shall have voting power and shall vote together with the Common Stock as a single class in elections with respect to some or all matters, such resolution shall not provide for a number of votes per share of such series exceeding the greater of (x) one vote per share, or (y) if the shares of such class shall be convertible into shares of Common Stock immediately prior to the record date with respect to such election, a number of votes equal to the number of shares of Common Stock into which one share of such class could then be converted; and provided, further, that the Board of Directors shall not have authority to increase the number of authorized shares of the Series A Participating Preferred Stock or Series B Participating Preferred Stock hereinafter established.

#### A. SERIES A PARTICIPATING PREFERRED STOCK

(1) Number of Shares; Designation. 241,087 shares of the Preferred Stock of the Corporation are hereby constituted as a series of Preferred Stock designated as "Series A Participating Preferred Stock" (hereinafter called "Series A Stock" or "this series").

(2) Dividends. So long as any shares of Series A Stock are outstanding, no dividend shall be declared or paid upon or set apart for, or any other distribution ordered or made in respect of, the Common Stock of the Corporation unless a dividend or distribution (as the case may be) on or in respect of the shares of Series A Stock outstanding on the record date fixed for the determination of holders of Common Stock entitled to receive such dividend or distribution is declared and paid (or declared and a sum sufficient for the payment thereof set apart for such payment) at a rate per outstanding share of Series A Stock equal to the amount that such holders of Series A Stock would have been entitled to receive had their shares of Series A Stock been converted into shares of Common Stock immediately prior to such record date. Each such dividend on or distribution in respect of the Series A Stock shall be comprised of the same relative

proportions of cash, securities and other property as the dividend on or distribution in respect of the Common Stock which is being declared or paid contemporaneously therewith. The issuance by the Corporation of rights or warrants to subscribe for or purchase securities of the Corporation shall be deemed to be a dividend or distribution, for the purposes of this Section (2). The holders of shares of the Series A Stock shall not be entitled to receive any dividends on or distributions in respect of such shares except as set forth in the preceding provisions of this Section (2) or in Section (3) below.

(3) Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation (whether capital or surplus) shall be made to or set apart for the holders of any series or class or classes of stock of the Corporation ranking junior to the Series A Stock upon liquidation, dissolution or winding up, the holders of the shares of the Series A Stock shall be entitled to receive, in cash, \$100.00 per share plus an amount equal to all dividends declared and unpaid thereon to the date of final distribution to such holders; but such holders shall not be entitled to any further payment. If, upon any liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of the shares of the Series A Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payment on any other Preferred Stock ranking as to liquidation, dissolution or winding up, on a parity with the Series A Stock, then such assets, or the proceeds thereof, shall be distributed among the holders of Series A Stock and any such other Preferred Stock ratably in accordance with the respective amounts which would be payable upon liquidation, dissolution or winding up of such shares of Series A Stock and any such other Preferred Stock if all amounts payable thereon were paid in full. For the purposes of this Section (3), a consolidation or merger of the Corporation with one or more corporations shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary.

Subject to the rights of the holders of any series or class or classes of stock ranking on a parity with or prior to the Series A Stock upon liquidation, dissolution or winding up, upon any liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the Series A Stock as provided in this Section (3), but not prior thereto, any other series or class or classes of stock ranking junior to the Series A Stock upon liquidation, dissolution or winding up shall, subject to the respective terms and provisions (if any) applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the Series A Stock shall not be entitled to share.

For the purposes of this Section (3), the Series A Stock ranks on a parity with the Series B Stock upon any liquidation, dissolution or winding up of the Corporation.

(4) Redemption. Neither the Corporation nor the holders of the Series A Stock shall be entitled to redeem the shares of such Series.

(5) Shares to be Retired. All shares of Series A Stock purchased or otherwise acquired by the Corporation or converted shall be retired and canceled and shall be restored to the status of authorized but unissued shares of Preferred Stock, without designation as to series, and may thereafter be issued, but not as shares of Series A Stock.

(6) Voting. The holders of shares of Series A Stock shall have the following voting rights:

(a) General Voting Rights. The holders of shares of Series A Stock shall have the right to vote in all corporate elections (whether of directors or as to other matters) except elections in which the right to vote shall be limited by law or by the provisions of the Certificate of Incorporation, as amended and supplemented from time to time, to the holders of shares of another class or of shares of another series of Preferred Stock. In any such election, each share of Series A Stock shall be entitled to a number of votes equal to the number of shares of Common Stock into which one share of Series A Stock could be converted immediately prior to the record date for such election.

(b) Senior Stock. So long as any shares of Series A Stock remain outstanding, the consent of the holders of a majority of the shares of Series A Stock outstanding at the time (voting separately as a class with all other series of Preferred Stock ranking on a parity with the Series A Stock as to the distribution of assets upon liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable) given in person or by proxy, either in writing or at any special or annual meeting called for the purpose, shall be necessary to permit, effect or validate the authorization, creation or issuance, or any increase in the authorized or issued amount, of any class or series of stock (including any class or series of preferred stock) ranking prior to the Series A Stock as to the distribution of assets upon liquidation, dissolution or winding up. The foregoing provisions of this Subsection (b) shall not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of Series A Stock shall have been converted into shares of Common Stock.

(c) Limitation. The Series A Stock shall have no voting rights except as expressly provided in the foregoing

provisions of this Section (6) or as otherwise from time to time required by law.

(7) Conversion. Shares of the Series A Stock shall be convertible into fully paid and nonassessable shares of Common Stock of the Corporation at the rate (hereinafter called the "conversion ratio") of 79.3814 shares of Common Stock for each share of Series A Stock, subject to and in accordance with the following terms and conditions:

(a) General Provisions.

(i) The shares of Series A Stock shall be convertible at the office of the Transfer Agent, and at such other office or offices, if any, as the Board of Directors may designate, into shares (calculated as to each conversion to the nearest 1/100 of a share) of Common Stock of the Corporation, at the conversion ratio in effect at the time of conversion. The conversion ratio shall be adjusted in certain instances as provided in paragraphs (iii), (iv) and (v) below and shall be increased in certain instances as provided in paragraph (iii) below.

(ii) Holders of shares of the Series A Stock converted during the period from the close of business on any record date for the payment of a dividend on the shares of Series A Stock to the opening of business on the date for payment of such dividend shall be entitled to receive the dividend payable on such dividend payment date on the shares of Series A Stock when the certificates for such shares are surrendered for conversion, without interest thereon. No payment or adjustment shall be made upon any conversion on account of any dividends on the Common Stock issued upon conversion.

Shares of Series A Stock shall be deemed to have been converted on the conversion date determined pursuant to Subsection (b), (c) or (d), as the case may be, of this Section (7), and the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Stock at such time. As promptly as practicable on or after the conversion date for shares of Series A Stock, the certificates for which have been surrendered for conversion in accordance with the provisions of this Section (7), the Corporation shall issue and shall deliver at said office a certificate or certificates for the number of whole shares of Common Stock issuable upon such conversion to the person or persons entitled to receive the same.

(iii) In case outstanding shares of Common Stock shall be subdivided into a greater number of shares of

Common Stock, the conversion ratio in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall be proportionately reduced, and conversely, in case outstanding shares of Common Stock shall each be combined into a smaller number of shares of Common Stock, the conversion ratio in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately increased, such reduction or increase, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision or combination becomes effective.

(iv) The reclassification (including any reclassification upon a consolidation or merger in which the Corporation is the continuing corporation) of Common Stock into securities including other than Common Stock shall be deemed to involve (A) a distribution on Common Stock of such securities other than Common Stock made immediately prior to the close of business on the effective date of the reclassification, and (B) a combination or subdivision, as the case may be, of the number of shares of Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediately thereafter.

(v) In case of any consolidation of the Corporation with, or merger of the Corporation into, any other corporation (other than a consolidation or merger in which the Corporation is the continuing corporation), or in case of any conveyance or transfer of the property and assets of the Corporation substantially as an entirety, each share of Series A Stock shall be convertible into the number and kind of shares of stock and other securities and property receivable upon such consolidation, merger, conveyance or transfer by a holder of the number and kind of shares of the Corporation into which such shares of Series A Stock might have been converted immediately prior to such consolidation, merger, conveyance or transfer. The above provisions shall similarly apply to successive consolidations, mergers, conveyances or transfers.

(vi) The Corporation may make such reductions in the conversion ratio, in addition to those required by the foregoing paragraphs, as it considers to be advisable in order that any event treated for Federal income tax purposes as a dividend of stock or stock rights shall not be taxable to the recipients.

(vii) Whenever the conversion ratio is adjusted as herein provided:

(aa) the Corporation shall compute the adjusted conversion ratio in accordance with this Section (7) and shall prepare a certificate signed by the President and the Treasurer of the Corporation setting forth the adjusted conversion ratio and showing in reasonable detail the facts upon which such adjustment is based, and such certificate shall forthwith be filed with the Transfer Agent or Agents for this series; and

(bb) a notice stating that the conversion ratio has been adjusted and setting forth the adjusted conversion ratio shall forthwith be required, and as soon as practicable after it is required, such notice shall be mailed to the holders of record of the outstanding shares of this series; provided, however, that if within ten (10) days after the completion of mailing such a notice, an additional notice is required, such additional notice shall be deemed to be required pursuant to this clause (bb) as of the opening of business on the tenth day after such completion of mailing and shall set forth the conversion ratio as adjusted at such opening of business, and, upon the completion of mailing of such additional notice, no other notice need be given of any adjustment in the conversion ratio occurring at or prior to such opening of business and after the time that the next preceding notice given by mail became required.

(viii) The Corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued Common Stock, for the purpose of effecting the conversion of the shares of this series, the full number of shares of Common Stock then deliverable upon the conversion of all shares of this series then outstanding.

(ix) No fractional shares of Common Stock shall be issued upon conversion, but, instead of any fraction of a share which would otherwise be issuable, the Corporation shall at its option in any particular case either (A) pay a cash adjustment in respect of such fraction in an amount equal to the same fraction of the fair market value per share of Common Stock (as reasonably determined by the Board of Directors in good faith) at the close of business on the conversion date or (B) round up the number of shares of Common Stock issuable upon such conversion to the next higher whole number of shares.

(x) The Corporation shall pay all transfer, documentary stamp or other similar transactional taxes attributable to the issuance or delivery of shares of Common

Stock upon conversion of any shares of this series of preferred stock.

(xi) For the purposes of this Section (7), the term "Common Stock" shall include any stock of any class of the Corporation which has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation and which is not subject to redemption by the Corporation. However, shares issuable on conversion of shares of this Series shall include only shares of the class designated as Common Stock of the Corporation as of the first date upon which shares of this series are issued by the Corporation, or shares of any class or classes resulting from any reclassification thereof and which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation and which are not subject to redemption by the Corporation; provided that if at any time there shall be more than one such resulting class, the shares of each such class then so issuable shall be substantially in the proportion which the total number of shares of such class resulting from all such reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

(b) Optional Conversion. The holders of the Series A Stock shall have the right, at their option, to convert any or all of such shares into fully paid and nonassessable shares of Common Stock of the Corporation at any time and from time to time in accordance with the provisions of Subsection (a) of this Section (7). In order to convert shares of Series A Stock into Common Stock pursuant to this Subsection (b), the holder thereof shall surrender at any office hereinabove mentioned the certificate or certificates therefor, duly endorsed or assigned to the Corporation or in blank, and give written notice to the Corporation at said office that such shares have been surrendered for conversion. In any such case, the conversion date with respect to the shares of Series A Stock surrendered for conversion shall be immediately prior to the close of business on the day of surrender of such shares for conversion in accordance with the foregoing provisions.

(c) Scheduled Conversions. Except as provided in Subsection (e) of this Section (7), the outstanding shares of Series A Stock shall be converted into fully paid and nonassessable shares of Common Stock of the Corporation, automatically and without any action by the holders thereof, immediately prior to the close of business on the conversion dates, in the amounts, and in the manner set forth below, namely:



<u>Conversion Date</u>	<u>Number of Shares of Series A Stock</u>
December 31, 1994.....	55,834
December 31, 1995.....	55,834
December 31, 1996.....	All outstanding shares

Notice of such conversion shall be given by first class mail, postage prepaid, mailed not less than 15 nor more than 60 days prior to the conversion date, to each holder of record of the shares to be converted, at such holder's address as the same appears on the stock register of the Corporation. Each such notice shall state: (1) the conversion date; (2) the number of shares of Series A Stock to be converted and, if less than all the shares held by such holder are to be converted, the number of such holder's shares to be converted; (3) the conversion ratio; (4) the place or places where certificates for such shares are to be surrendered for conversion; and (5) that said shares shall no longer be deemed to be outstanding after such conversion date. Any failure to give such notice with respect to any such conversion or any defect therein or in the mailing thereof shall not affect the validity or effectiveness of the conversion of any shares so to be converted. From and after the conversion date no dividends on the shares of the Series A Stock so converted shall be declared, and said shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as stockholders of the Corporation (except the right to receive from the Corporation certificates for the shares of Common Stock into which said shares of Series A Stock have been converted as hereinafter provided) shall cease.

Upon surrender in accordance with said notice of the certificates for any shares so converted (properly endorsed or assigned for transfer, if the Board of Directors of the Corporation shall so require and the notice shall so state), certificates shall be issued for the shares of Common Stock into which such shares have been converted. If less than all the outstanding shares of Series A Stock are to be converted, shares to be converted shall be selected by the Corporation pro rata (as nearly as may be) from each holder of outstanding shares of Series A Stock in the proportion that the shares thereof to be converted bear to the total number of shares of the Series A Stock then outstanding. If less than all of the outstanding shares represented by any surrendered certificate are to be converted, a new certificate representing the unconverted shares shall be issued without charge.

(d) Mandatory Conversion. Except as provided in Subsection (e) of this Section (7), all outstanding shares of Series A Stock shall be converted into fully paid and

nonassessable shares of Common Stock of the Corporation, automatically and without any action by the holders thereof, immediately prior to the close of business on the date on which any of the following transactions shall be consummated:

(i) Any consolidation of the Corporation with or merger of the Corporation into any other corporation (other than a consolidation or merger in which the Corporation is the continuing corporation), or any conveyance or transfer of all or substantially all the assets of the Corporation, in which the Market Value (as hereinafter defined) of property to be received by the stockholders of the Corporation shall be at least \$25,000,000 in the case of a transaction consummated on or before December 31, 1995 or at least \$10,000,000 in the case of a transaction consummated after December 31, 1995; or

(ii) Any bona fide sale by the Corporation to a third party of shares of its Common Stock representing, when taken together with any contemporaneous transaction pursuant to paragraph (iii) below, at least 20 percent of the Corporation's Fully-Diluted Common Shares (as hereinafter defined); provided, that the sum of (x) the Market Value per share of the shares of Common Stock being sold multiplied by the number of the Corporation's Fully-Diluted Common Shares and (y) the Market Value of the Corporation's common equity determined with respect to a contemporaneous transaction pursuant to paragraph (iii) below, but without duplication, shall be at least \$25,000,000 in the case of a transaction consummated on or before December 31, 1995 or at least \$10,000,000 in the case of a transaction consummated after December 31, 1995; or

(iii) Any bona fide sale by the Corporation to a third party of rights or warrants to subscribe for or purchase, or of shares of any class of equity securities of the Corporation convertible into or exchangeable for, a number of shares of Common Stock of the Corporation which, when issued, would, when taken together with any contemporaneous transaction pursuant to paragraph (ii) above, represent at least 20 percent of the Corporation's Fully-Diluted Common Shares as of the date of consummation of said sale of rights, warrants, or equity securities; provided, that the sum of (x) the Market Value of the Corporation's common equity implicit in the terms of such rights, warrants, or conversion or exchange ratio, as reasonably determined by the Board of Directors in good faith, and

(y) the Market Value of the Corporation's Fully-Diluted Common Shares determined with respect to a contemporaneous transaction pursuant to paragraph (ii) above, but without duplication, shall be at least \$25,000,000 in the case of a transaction consummated on or before December 31, 1995 or at least \$10,000,000 in the case of a transaction consummated after December 31, 1995.

For the purposes of this Subsection (d):

(A) The term "Fully-Diluted Common Shares" shall mean the sum, immediately prior to the consummation of the transaction in question, of (x) the number of outstanding shares of Common Stock of the Corporation and (y) the maximum number of shares of Common Stock of the Corporation then issuable upon the exercise of outstanding securities of the Corporation that are convertible into or exchangeable for, or that entitle the holders thereof to subscribe for or purchase, shares of Common Stock of the Corporation.

(B) The term "Market Value" shall mean (x) in the case of a public or limited offering of shares, the amount of the cash received by the Corporation per share for such shares without deducting therefrom any compensation or discount in the sale, underwriting or purchase thereof by underwriters or dealers or others performing similar services or for any expenses incurred in connection therewith, and (y) in any other case, the amount of cash and the fair market value (as reasonably determined by the Board of Directors in good faith) of property.

Notice of such conversion shall be given by first class mail, postage prepaid, mailed not more than 30 days after the conversion date, to each holder of record of shares of Series A Stock, at such holder's address as the same appears on the stock register of the Corporation. Each such notice shall state: (1) the conversion date; (2) that all the shares of Series A Stock have been converted; (3) the conversion ratio; (4) the place or places where certificates for such shares are to be surrendered for conversion; and (5) that said shares are no longer deemed to be outstanding after such conversion date. Any failure to give such notice with respect to any such conversion or any defect therein or in the mailing thereof shall not affect the validity or effectiveness of the conversion of any shares so to be converted. From and after the conversion date no dividends on any of the shares of the Series A Stock shall be declared, and all said shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as

stockholders of the Corporation (except the right to receive from the Corporation certificates for the shares of Common Stock into which said shares of Series A Stock have been converted as hereinafter provided) shall cease.

Upon surrender in accordance with said notice of the certificates for any shares so converted (properly endorsed or assigned for transfer, if the Board of Directors of the Corporation shall so require and the notice shall so state), certificates shall be issued for the shares of Common Stock into which such shares have been converted.

(e) Defeasance of Scheduled Conversion and Mandatory Conversion Provisions. In the event that, prior to the conversion into Common Stock of all shares of Series A Stock in accordance with this Section (7), a voluntary or involuntary petition under Chapter 11 of the Bankruptcy Code naming the Corporation as debtor is filed and such filing remains undismissed and unstayed for a period of sixty (60) consecutive days, then Subsections (c) and (d) of this Section (7) shall become null, void and of no further force and effect with respect to any shares of Series A Stock that have not been so converted as of the close of business on such sixtieth (60th) day.

(7) Stock to be Nonassessable. Such shares of Common Stock as shall be issuable upon conversion of Series A Stock shall be fully paid and nonassessable when the same shall be issued.

#### B. SERIES B PARTICIPATING PREFERRED STOCK

(1) Number of Shares; Designation. 202,502 shares of the Preferred Stock of the Corporation are hereby constituted as a series of Preferred Stock designated as "Series B Participating Preferred Stock" (hereinafter called "Series B Stock" or "this series").

(2) Dividends. So long as any shares of Series B Stock are outstanding, no dividend shall be declared or paid upon or set apart for, or any other distribution ordered or made in respect of, the Common Stock of the Corporation unless a dividend or distribution (as the case may be) on or in respect of the shares of Series B Stock outstanding on the record date fixed for the determination of holders of Common Stock entitled to receive such dividend or distribution is declared and paid (or declared and a sum sufficient for the payment thereof set apart for such payment) at a rate per outstanding share of Series B Stock equal to the amount that such holders of Series B Stock would have been entitled to receive had their shares of Series B Stock been converted into shares of Common Stock immediately prior to such

record date. Each such dividend on or distribution in respect of the Series B Stock shall be comprised of the same relative proportions of cash, securities and other property as the dividend on or distribution in respect of the Common Stock which is being declared or paid contemporaneously therewith. The issuance by the Corporation of rights or warrants to subscribe for or purchase securities of the Corporation shall be deemed to be a dividend or distribution, for the purposes of this Section (2). The holders of shares of the Series B Stock shall not be entitled to receive any dividends on or distributions in respect of such shares except as set forth in the preceding provisions of this Section (2) or in Section (3) below.

(3) Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation (whether capital or surplus) shall be made to or set apart for the holders of any series or class or classes of stock of the Corporation ranking junior to the Series B Stock upon liquidation, dissolution or winding up, the holders of the shares of the Series B Stock shall be entitled to receive, in cash, \$100.00 per share plus an amount equal to all dividends declared and unpaid thereon to the date of final distribution to such holders; but such holders shall not be entitled to any further payment. If, upon any liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of the shares of the Series B Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payment on any other Preferred Stock ranking as to liquidation, dissolution or winding up, on a parity with the Series B Stock, then such assets, or the proceeds thereof, shall be distributed among the holders of Series B Stock and any such other Preferred Stock ratably in accordance with the respective amounts which would be payable upon liquidation, dissolution or winding up of such shares of Series B Stock and any such other Preferred Stock if all amounts payable thereon were paid in full. For the purposes of this Section (3), a consolidation or merger of the Corporation with one or more corporations shall not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary.

Subject to the rights of the holders of any series or class or classes of stock ranking on a parity with or prior to the Series B Stock upon liquidation, dissolution or winding up, upon any liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the Series B Stock as provided in this Section (3), but not prior thereto, any other series or class or classes of stock ranking junior to the Series B Stock upon liquidation, dissolution or winding up shall, subject to the respective terms and provisions (if any) applying thereto, be entitled to receive any and all

assets remaining to be paid or distributed, and the Series B Stock shall not be entitled to share.

For the purposes of this Section (3), the Series B Stock ranks on a parity with the Series A Stock upon any liquidation, dissolution or winding up of the Corporation.

(4) Redemption. Neither the Corporation nor the holders of the Series B Stock shall be entitled to redeem the shares of such Series.

(5) Shares to be Retired. All shares of Series B Stock purchased or otherwise acquired by the Corporation or converted shall be retired and canceled and shall be restored to the status of authorized but unissued shares of Preferred Stock, without designation as to series, and may thereafter be issued, but not as shares of Series B Stock.

(6) Voting. The holders of Series B Stock shall have the following voting rights:

(a) Election of Director. So long as any shares of Series B Stock remain outstanding, the holders of the Series B Stock outstanding shall have the right, voting as a class, to elect a single director to the Corporation's Board of Directors at each annual meeting of stockholders. If the office of any director elected by the holders of Series B Stock becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the holders of Series B Stock may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred. Upon any termination of the right of the holders of Series B Stock to elect a director, as herein provided, the term of office of the director then in office elected by the holders of the majority of Series B Stock shall terminate immediately.

(b) Senior Stock. So long as any shares of Series B Stock remain outstanding, the consent of the holders of a majority of the shares of Series B Stock outstanding at the time (voting separately as a class with all other series of Preferred Stock ranking on a parity with the Series B Stock as to the distribution of assets upon liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable) given in person or by proxy, either in writing or at any special or annual meeting called for the purpose, shall be necessary to permit, effect or validate the authorization, creation or issuance, or any increase in the authorized or issued amount, of any class or series of stock (including any class or series of preferred stock) ranking prior to the Series B Stock as to the distribution of assets upon liquidation, dissolution or winding up. The foregoing provisions of this Subsection (b) shall not apply if, at or prior to the

time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of Series B Stock shall have been converted into shares of Common Stock.

(c) Limitation. The Series B Stock shall have no voting rights except as expressly provided in the foregoing provisions of this Section (6) or as otherwise from time to time required by law.

(7) Conversion. Shares of the Series B Stock shall be convertible into fully paid and nonassessable shares of Common Stock of the Corporation at the rate (hereinafter called the "conversion ratio") of 3.1962 shares of Common Stock for each share of Series B Stock, subject to and in accordance with the following terms and conditions:

(a) General Provisions.

(i) The shares of Series B Stock shall be convertible at the office of the Transfer Agent, and at such other office or offices, if any, as the Board of Directors may designate, into shares (calculated as to each conversion to the nearest 1/100 of a share) of Common Stock of the Corporation, at the conversion ratio in effect at the time of conversion. The conversion ratio shall be adjusted in certain instances as provided in paragraphs (iii), (iv) and (v) below and shall be increased in certain instances as provided in paragraph (iii) below.

(ii) Holders of shares of the Series B Stock converted during the period from the close of business on any record date for the payment of a dividend on the shares of Series B Stock to the opening of business on the date for payment of such dividend shall be entitled to receive the dividend payable on such dividend payment date on the shares of Series B Stock when the certificates for such shares are surrendered for conversion, without interest thereon. No payment or adjustment shall be made upon any conversion on account of any dividends on the Common Stock issued upon conversion.

Shares of Series B Stock shall be deemed to have been converted on the conversion date determined pursuant to Subsection (b), (c) or (d), as the case may be, of this Section (7), and the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Stock at such time. As promptly as practicable on or after the conversion date for shares of Series B Stock, the certificates for which have been surrendered for conversion in accordance with the provisions of this Section

(7), the Corporation shall issue and shall deliver at said office a certificate or certificates for the number of whole shares of Common Stock issuable upon such conversion to the person or persons entitled to receive the same.

(iii) In case outstanding shares of Common Stock shall be subdivided into a greater number of shares of Common Stock, the conversion ratio in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall be proportionately reduced, and conversely, in case outstanding shares of Common Stock shall each be combined into a smaller number of shares of Common Stock, the conversion ratio in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately increased, such reduction or increase, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision or combination becomes effective.

(iv) The reclassification (including any reclassification upon a consolidation or merger in which the Corporation is the continuing corporation) of Common Stock into securities including other than Common Stock shall be deemed to involve (A) a distribution on Common Stock of such securities other than Common Stock made immediately prior to the close of business on the effective date of the reclassification, and (B) a combination or subdivision, as the case may be, of the number of shares of Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediately thereafter.

(v) In case of any consolidation of the Corporation with, or merger of the Corporation into, any other corporation (other than a consolidation or merger in which the Corporation is the continuing corporation), or in case of any conveyance or transfer of the property and assets of the Corporation substantially as an entirety, each share of Series B Stock shall be convertible into the number and kind of shares of stock and other securities and property receivable upon such consolidation, merger, conveyance or transfer by a holder of the number and kind of shares of the Corporation into which such shares of Series B Stock might have been converted immediately prior to such consolidation, merger, conveyance or transfer. The above provisions shall similarly apply to successive consolidations, mergers, conveyances or transfers.

(vi) The Corporation may make such reductions in the conversion ratio, in addition to those required by the foregoing paragraphs, as it considers to be advisable in



order that any event treated for Federal income tax purposes as a dividend of stock or stock rights shall not be taxable to the recipients.

(vii) Whenever the conversion ratio is adjusted as herein provided:

(aa) the Corporation shall compute the adjusted conversion ratio in accordance with this Section (7) and shall prepare a certificate signed by the President and the Treasurer of the Corporation setting forth the adjusted conversion ratio and showing in reasonable detail the facts upon which such adjustment is based, and such certificate shall forthwith be filed with the Transfer Agent or Agents for this series; and

(bb) a notice stating that the conversion ratio has been adjusted and setting forth the adjusted conversion ratio shall forthwith be required, and as soon as practicable after it is required, such notice shall be mailed to the holders of record of the outstanding shares of this series; provided, however, that if within ten (10) days after the completion of mailing such a notice, an additional notice is required, such additional notice shall be deemed to be required pursuant to this clause (bb) as of the opening of business on the tenth day after such completion of mailing and shall set forth the conversion ratio as adjusted at such opening of business, and, upon the completion of mailing of such additional notice, no other notice need be given of any adjustment in the conversion ratio occurring at or prior to such opening of business and after the time that the next preceding notice given by mail became required.

(viii) The Corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued Common Stock, for the purpose of effecting the conversion of the shares of this series, the full number of shares of Common Stock then deliverable upon the conversion of all shares of this series then outstanding.

(ix) No fractional shares of Common Stock shall be issued upon conversion, but, instead of any fraction of a share which would otherwise be issuable, the Corporation shall at its option in any particular case either (A) pay a cash adjustment in respect of such fraction in an amount equal to the same fraction of the fair market value per share of Common Stock (as reasonably determined by the Board of Directors in good faith) at the close of business on the

conversion date or (B) round up the number of shares of Common Stock issuable upon such conversion to the next higher whole number of shares.

(x) The Corporation shall pay all transfer, documentary stamp or other similar transactional taxes attributable to the issuance or delivery of shares of Common Stock upon conversion of any shares of this series of preferred stock.

(xi) For the purposes of this Section (7), the term "Common Stock" shall include any stock of any class of the Corporation which has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation and which is not subject to redemption by the Corporation. However, shares issuable on conversion of shares of this Series shall include only shares of the class designated as Common Stock of the Corporation as of the first date upon which shares of this series are issued by the Corporation, or shares of any class or classes resulting from any reclassification thereof and which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation and which are not subject to redemption by the Corporation; provided that if at any time there shall be more than one such resulting class, the shares of each such class then so issuable shall be substantially in the proportion which the total number of shares of such class resulting from all such reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

(b) Optional Conversion. The holders of the Series B Stock shall have the right, at their option, to convert any or all of such shares into fully paid and nonassessable shares of Common Stock of the Corporation at any time and from time to time in accordance with the provisions of Subsection (a) of this Section (7). In order to convert shares of Series B Stock into Common Stock pursuant to this Subsection (b), the holder thereof shall surrender at any office hereinabove mentioned the certificate or certificates therefor, duly endorsed or assigned to the Corporation or in blank, and give written notice to the Corporation at said office that such shares have been surrendered for conversion. In any such case, the conversion date with respect to the shares of Series B Stock surrendered for conversion shall be immediately prior to the close of business on the day of surrender of such shares for conversion in accordance with the foregoing provisions.

(c) Scheduled Conversions. Except as provided in Subsection (e) of this Section (7), the outstanding shares of Series B Stock shall be converted into fully paid and nonassessable shares of Common Stock of the Corporation, automatically and without any action by the holders thereof, immediately prior to the close of business on the conversion dates, in the amounts, and in the manner set forth below, namely:

<u>Conversion Date</u>	<u>Number of Shares of Series B Stock</u>
December 31, 1994.....	67,501
December 31, 1995.....	67,501
December 31, 1996.....	All outstanding shares

Notice of such conversion shall be given by first class mail, postage prepaid, mailed not less than 15 nor more than 60 days prior to the conversion date, to each holder of record of the shares to be converted, at such holder's address as the same appears on the stock register of the Corporation. Each such notice shall state: (1) the conversion date; (2) the number of shares of Series B Stock to be converted and, if less than all the shares held by such holder are to be converted, the number of such holder's shares to be converted; (3) the conversion ratio; (4) the place or places where certificates for such shares are to be surrendered for conversion; and (5) that said shares shall no longer be deemed to be outstanding after such conversion date. Any failure to give such notice with respect to any such conversion or any defect therein or in the mailing thereof shall not affect the validity or effectiveness of the conversion of any shares so to be converted. From and after the conversion date no dividends on the shares of the Series B Stock so converted shall be declared, and said shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as stockholders of the Corporation (except the right to receive from the Corporation certificates for the shares of Common Stock into which said shares of Series B Stock have been converted as hereinafter provided) shall cease.

Upon surrender in accordance with said notice of the certificates for any shares so converted (properly endorsed or assigned for transfer, if the Board of Directors of the Corporation shall so require and the notice shall so state), certificates shall be issued for the shares of Common Stock into which such shares have been converted. If less than all the outstanding shares of Series B Stock are to be converted, shares to be converted shall be selected by the Corporation pro rata (as nearly as may be) from each holder of outstanding shares of Series B Stock in the proportion that the shares thereof to be converted bear to

the total number of shares of the Series B Stock then outstanding. If less than all of the outstanding shares represented by any surrendered certificate are to be converted, a new certificate representing the unconverted shares shall be issued without charge.

(d) Mandatory Conversion. Except as provided in Subsection (e) of this Section (7), all outstanding shares of Series B Stock shall be converted into fully paid and nonassessable shares of Common Stock of the Corporation, automatically and without any action by the holders thereof, immediately prior to the close of business on the date on which any of the following transactions shall be consummated:

(i) Any consolidation of the Corporation with or merger of the Corporation into any other corporation (other than a consolidation or merger in which the Corporation is the continuing corporation), or any conveyance or transfer of all or substantially all the assets of the Corporation, in which the Market Value (as hereinafter defined) of property to be received by the stockholders of the Corporation shall be at least \$25,000,000 in the case of a transaction consummated on or before December 31, 1995 or at least \$10,000,000 in the case of a transaction consummated after December 31, 1995; or

(ii) Any bona fide sale by the Corporation to a third party of shares of its Common Stock representing, when taken together with any contemporaneous transaction pursuant to paragraph (iii) below, at least 20 percent of the Corporation's Fully-Diluted Common Shares (as hereinafter defined); provided, that the sum of (x) the Market Value per share of the shares of Common Stock being sold multiplied by the number of the Corporation's Fully-Diluted Common Shares and (y) the Market Value of the Corporation's common equity determined with respect to a contemporaneous transaction pursuant to paragraph (iii) below, but without duplication, shall be at least \$25,000,000 in the case of a transaction consummated on or before December 31, 1995 or at least \$10,000,000 in the case of a transaction consummated after December 31, 1995; or

(iii) Any bona fide sale by the Corporation to a third party of rights or warrants to subscribe for or purchase, or of shares of any class of equity securities of the Corporation convertible into or exchangeable for, a number of shares of Common Stock of the Corporation which, when issued, would, when taken

together with any contemporaneous transaction pursuant to paragraph (ii) above, represent at least 20 percent of the Corporation's Fully-Diluted Common Shares as of the date of consummation of said sale of rights, warrants, or equity securities; provided, that the sum of (x) the Market Value of the Corporation's common equity implicit in the terms of such rights, warrants, or conversion or exchange ratio, as reasonably determined by the Board of Directors in good faith, and (y) the Market Value of the Corporation's Fully-Diluted Common Shares determined with respect to a contemporaneous transaction pursuant to paragraph (ii) above, but without duplication, shall be at least \$25,000,000 in the case of a transaction consummated on or before December 31, 1995 or at least \$10,000,000 in the case of a transaction consummated after December 31, 1995.

For the purposes of this Subsection (d):

(A) The term "Fully-Diluted Common Shares" shall mean the sum, immediately prior to the consummation of the transaction in question, of (x) the number of outstanding shares of Common Stock of the Corporation and (y) the maximum number of shares of Common Stock of the Corporation then issuable upon the exercise of outstanding securities of the Corporation that are convertible into or exchangeable for, or that entitle the holders thereof to subscribe for or purchase, shares of Common Stock of the Corporation.

(B) The term "Market Value" shall mean (x) in the case of a public or limited offering of shares, the amount of the cash received by the Corporation per share for such shares without deducting therefrom any compensation or discount in the sale, underwriting or purchase thereof by underwriters or dealers or others performing similar services or for any expenses incurred in connection therewith, and (y) in any other case, the amount of cash and the fair market value (as reasonably determined by the Board of Directors in good faith) of property.

Notice of such conversion shall be given by first class mail, postage prepaid, mailed not more than 30 days after the conversion date, to each holder of record of shares of Series B Stock, at such holder's address as the same appears on the stock register of the Corporation. Each such notice shall state: (1) the conversion date; (2) that all the shares of Series B Stock have been converted; (3) the conversion ratio; (4) the place or places where certificates for such shares are to be surrendered for conversion; and

(5) that said shares are no longer deemed to be outstanding after such conversion date. Any failure to give such notice with respect to any such conversion or any defect therein or in the mailing thereof shall not affect the validity or effectiveness of the conversion of any shares so to be converted. From and after the conversion date no dividends on any of the shares of the Series B Stock shall be declared, and all said shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as stockholders of the Corporation (except the right to receive from the Corporation certificates for the shares of Common Stock into which said shares of Series B Stock have been converted as hereinafter provided) shall cease.

Upon surrender in accordance with said notice of the certificates for any shares so converted (properly endorsed or assigned for transfer, if the Board of Directors of the Corporation shall so require and the notice shall so state), certificates shall be issued for the shares of Common Stock into which such shares have been converted.

(e) Defeasance of Scheduled Conversion and Mandatory Conversion Provisions. In the event that, prior to the conversion into Common Stock of all shares of Series B Stock in accordance with this Section (7), a voluntary or involuntary petition under Chapter 11 of the Bankruptcy Code naming the Corporation as debtor is filed and such filing remains undismissed and unstayed for a period of sixty (60) consecutive days, then Subsections (c) and (d) of this Section (7) shall become null, void and of no further force and effect with respect to any shares of Series B Stock that have not been so converted as of the close of business on such sixtieth (60th) day.

(7) Stock to be Nonassessable. Such shares of Common Stock as shall be issuable upon conversion of Series B Stock shall be fully paid and nonassessable when the same shall be issued.

5. The Board of Directors is authorized to make, alter or repeal the by-laws of the Corporation. Election of directors need not be by ballot.

6. No director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit.

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Upon the filing of this Restated Certificate of Incorporation with the Secretary of State of Delaware (the "Effective Time"), the original Certificate of Incorporation of the Corporation, as theretofore amended and supplemented, shall be superseded; and thenceforth, this Restated Certificate of Incorporation, including the further amendments and changes made hereby, shall be the Certificate of Incorporation of the Corporation but the original date of incorporation of the Corporation shall remain unchanged.

The following reclassifications and conversions shall occur at the Effective Time:

(i) Each share of 13.0% Cumulative Convertible A Preferred Stock, par value \$100.00 per share (the "A Preferred Stock"), outstanding immediately prior to the Effective Time, and each share of A Preferred Stock which immediately prior to the Effective Time is held by the Corporation as treasury stock, shall be reclassified as and converted into .8177 shares of Series A Participating Preferred Stock, par value \$100.00 per share, and all rights of the holders of shares of the A Preferred Stock to receive dividends which have accrued but have not been paid shall be canceled;

(ii) Each share of 16.5% Cumulative Convertible B Preferred Stock, par value \$100.00 per share (the "B Preferred Stock"), outstanding immediately prior to the Effective Time, and each share of B Preferred Stock which immediately prior to the Effective Time is held by the Corporation as treasury stock, shall be reclassified as and converted into 89.0199 shares of Common Stock, par value \$.01 per share, and all rights of the holders of shares of the B Preferred Stock to receive dividends which have accrued but have not been paid shall be canceled;

(iii) Each share of 16.5% Cumulative Convertible C Preferred Stock, par value \$100.00 per share (the "C Preferred Stock"), outstanding immediately prior to the Effective Time, and each share of C Preferred Stock which immediately prior to the Effective Time is held by the Corporation as treasury stock, shall be reclassified as and converted into 89.0199 shares of Common Stock, par value \$.01 per share, and all rights of the holders of shares of C Preferred Stock to receive dividends which have accrued but have not been paid shall be canceled;

(iv) Each share of 16.5% Cumulative Convertible D Preferred Stock, par value \$100.00 per share (the "D

Preferred Stock"), outstanding immediately prior to the Effective Time, and each share of D Preferred Stock which immediately prior to the Effective Date is held by the Corporation as treasury stock, shall be reclassified as and converted into 89.0199 shares of Common Stock, par value \$.01 per share, and all rights of the holders of shares of D Preferred Stock to receive dividends which have accrued but have not been paid shall be canceled;

(v) Each share of 13.0% Cumulative Convertible E Preferred Stock, par value \$100.00 per share (the "E Preferred Stock"), outstanding immediately prior to the Effective Time, and each share of E Preferred Stock which immediately prior to the Effective Time is held by the Corporation as Treasury Stock, shall be reclassified as and converted into .8177 shares of Series A Participating Preferred Stock, par value \$100.00 per share, and all rights of the holders of E Preferred Stock to receive dividends which have accrued but have not been paid shall be canceled; and

(vi) Each share of Common Stock, par value \$10.00 per shares, outstanding immediately prior to the Effective Time, and each share of Common Stock, par value \$10.00 per share, which immediately prior to the Effective Time is held by the Corporation as Treasury Stock, shall be reclassified as and converted into one share of Common Stock, par value \$0.01 per share;

Provided, that no fractional shares of Series A Participating Preferred Stock or Common Stock shall be issued upon such reclassifications and conversions, but in lieu thereof the number of shares of Series A Participating Preferred Stock or Common Stock issued to a holder of shares of capital stock being so reclassified and converted shall be rounded up to the next higher whole number of shares.

The foregoing reclassifications and conversions shall be implemented by such reasonable and customary procedures as the Board of Directors shall determine.



IN WITNESS WHEREOF, the said CRUCIBLE MATERIALS CORPORATION has caused its corporate seal to be hereunto affixed and this instrument to be signed by its President and by its Secretary this 26th day of May, 1994.

CRUCIBLE MATERIALS CORPORATION

Corporate Seal

By: 

John E. Vensel  
President

Attest:

By: 

Harvey O. Simmons, III  
Secretary